

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF SHELBY)	CASE NO. 10462
RURAL ELECTRIC COOPERATIVE)	
CORPORATION FROM NOVEMBER 1, 1986)	
TO OCTOBER 31, 1988)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on December 6, 1988 established this case to review and evaluate the operation of the fuel adjustment clause of Shelby Rural Electric Cooperative Corporation ("Shelby") from November 1, 1986 to October 31, 1988.

As a part of this review, the Commission ordered Shelby to submit certain information including, inter alia, its monthly fuel charges for the period under review and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Shelby has complied with this Order. The Commission further ordered that a public hearing be held in this case, but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being sufficiently advised, is of the opinion and finds that:

1. Shelby has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Shelby, has been authorized to transfer (roll-in) a 0.80 mills per KWH decrease in its base fuel cost to its base rates.¹

3. Shelby should be authorized to transfer (roll-in) a 0.85 mills per KWH decrease in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.80 mills per KWH decrease in EKPC's base rates and this can best be accomplished by an energy adder to each KWH sold.

4. The rates and charges in Appendix A, attached and incorporated hereto, are fair, just, and reasonable and reflect the transfer of fuel costs from the fuel adjustment clause to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Shelby through its fuel adjustment clause for the period November 1, 1986 to October 31, 1988 be and they hereby are approved.

2. Shelby be and it hereby is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its fuel adjustment clause to its base rates.

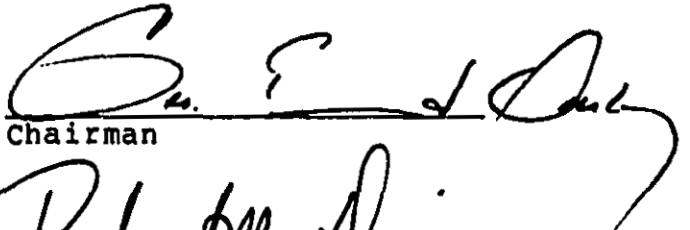
¹ Case No. 10437, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative Corporation, Inc.

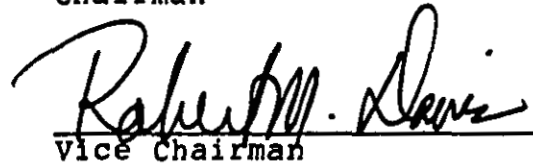
3. The rates in Appendix A are approved for service rendered by Shelby on and after May 1, 1989.

4. Within 30 days of the date of this Order, Shelby shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 31st day of March, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 10462 DATED 3/31/89

The following rates and charges are prescribed for the customers in the area served by Shelby Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the date of this Order.

RATE 1 GENERAL SERVICE*

Rates:

Demand Charge:

First 20 KW of billing demand per month, no demand charge.
Excess of 20 KW of billing demand per month @ 4.50 per KW.

Energy Charge:

First	600 KWH per month	.07360 per KWH
Next	1400 KWH per month	.05869 per KWH
All Over	2000 KWH per month	.05737 per KWH

MINIMUM MONTHLY CHARGE:

The minimum monthly charge under the above rate shall be \$7.18. Where it is necessary to extend or reinforce existing distribution facilities, the minimum monthly charge may be increased to assure adequate compensation for the added facilities. Where the minimum charge is increased in accordance with the terms of this section, additional energy and demand shall be included in accordance with the foregoing rate schedule.

The minimum monthly charge for three-phase service shall be \$1.00 per kVA of installed transformer capacity or the minimum monthly charge stated in the contract for service.

SPECIAL PROVISIONS:

Contract:

An "Agreement for Electric Service" shall be executed by the consumer for service under this rate schedule if the service is to be three-phase or if required by the Seller.

SPECIAL RULES:

Motors having a rated capacity in excess of ten horsepower (10 HP) must be three-phase. Motors in excess of five horsepower (5 HP) shall be provided with compensating starting equipment acceptable to the Seller.

RATE 2 LARGE POWER SERVICE

Rates:

Energy Charge

First	100 KWH Per KW Demand	\$.05210 Per KWH
Next	100 KWH Per KW Demand	.04653 Per KWH
All Over	200 KWH Per KW Demand	.04097 Per KWH

AVAILABILITY:

Available to all consumers whose KW demand shall be greater than 50 KW, including residential and farm consumers who do not qualify under availability of service under Rate 1, located on or near Seller's line for all types of usage, subject to the established Rules and Regulations of Seller.

RATE 3 OUTDOOR AND STREET LIGHTING SERVICE*

Rates:

<u>Type of Fixture</u>	<u>Lumen Output</u>	<u>Monthly Charge</u>
Mercury Vapor or HPS	7,000 - 10,000	\$ 6.66
Mercury Vapor or HPS	20,000 - 30,000	\$ 9.46

RATE 4
STANDBY POWER RATE*

Rates:

Demand Charge

The identical demand rate billed by East Kentucky Power Cooperative Corporation from the wholesale power invoice for that particular month.

Energy Charge

First	100 KWH per KW Demand	\$.04978 Per KWH
Next	100 KWH per KW Demand	.04388 Per KWH
All Over	200 KWH per KW Demand	.03801 Per KWH

RATE 6
GENERAL SERVICE T-O-D*

Rates

On-Peak Rate	
Under 600 KWH/Month	.07360/KWH
601 to 2000 KWH/Month	.05869/KWH
Over 2000 KWH/Month	.05737/KWH
Off-Peak Rate	
Under 600 KWH/Month	.04215/KWH
601 to 2000 KWH/Month	.03320/KWH
Over 2000 KWH/Month	.03241/KWH

LARGE INDUSTRIAL RATE SCHEDULE C 1

Monthly Rate

Energy Charge	.03127 Per KWH
---------------	----------------

LARGE INDUSTRIAL RATE SCHEDULE C 2

Monthly Rate

Energy Charge	.02627 Per KWH
---------------	----------------

LARGE INDUSTRIAL RATE SCHEDULE C 3

Monthly Rate

Energy Charge	.02527 Per KWH
---------------	----------------